

ORIGINAL

IN THE UNITED STATES CLAIMS COURT

N0. 581-88T

CHURCH OF SPIRITUAL TECHNOLOGY,

Plaintiff,

v.

THE UNITED STATES,

Defendant. PLAINTIFF'S

SUPPLEMENTAL BRIEF

Monique E. Yingling

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November 12, 1991

DECLARATION OF SHERMAN D. LENSKE

I, SHERMAN D. LENSKE, do hereby declare as follows:

1. I am a principal in the law firm of Lenske, Lenske & Abramson, A Law Corporation (formerly known as Lenske, Lenske, & Heller & Magasin), in Los Angeles, California, and have been a principal since its formation in February, 1981. The information contained herein is based on my personal knowledge and if called upon, I could and would testify thereto.

2. In April, 1981, my firm was interviewed and then retained by Norman Starkey and Terry Gamboa on behalf of L. Ron Hubbard to render legal advice with respect to various business and litigation matters affecting Mr. Hubbard.

3. The first area my firm addressed was pending litigation in which civil litigants suing churches of Scientology had named Mr. Hubbard in their suits or had attempted to notice his deposition.

4. Shortly thereafter, my firm began expanding its areas of representation for Mr. Hubbard to include non-litigation matters. In June, 1981, we were asked to review a proposal that had been made by Laurel Sullivan and other officials of Church of Scientology of California ("CSC") in connection with a corporate planning project they were involved with at the time. The purpose of this project was to restructure a number of top-level ecclesiastical and corporate positions in CSC. Mrs. Sullivan

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presented the proposal as a means of also protecting Mr. Hubbard's interests by safeguarding him from vexatious lawsuits.

5. The proposal formally submitted was to incorporate the two senior ecclesiastical management bodies within CSC, namely the Watchdog Committee and Commodores Messenger Org Int. The proponents of the proposal believed that separate corporations would insulate Mr. Hubbard from personal liability with respect to acts arising from management of churches of Scientology. Our firm opined that this proposal was faulty, would not accomplish the purpose for which it was presented, and would in fact aggravate the situation.

6. The proposal that we reviewed in June, 1981, was not implemented, and it is my understanding that shortly thereafter the planning project was disbanded. We were told that the proposals that had come out of that project were not satisfactory and that we should approach these areas with a fresh viewpoint. Consequently, we did not review any earlier research or proposals from this project or discuss them with any of the project's participants.

7. In the months following June, 1981, my firm became more involved in advising Mr. Hubbard with respect to his general business affairs and his estate plan, including the disposition of the Scientology religious marks. The personal representative of Mr. Hubbard that I primarily worked with during this time was Ron Pook, though I also worked with Mr. Starkey and Mrs. Gamboa to a lesser extent.

8. In approximately October, 1981, Lyman Spurlock replaced Ron Pook as Mr. Hubbard's personal representative and my firm and I began working primarily with Mr. Spurlock with respect to Mr. Hubbard's estate planning. At about that time, Mr. Hubbard retained Meade Emory and Leon Misterek, of the Seattle law firm of LeSourd & Patten, each with expertise in tax law, to advise him with respect to the tax aspects of his estate planning. Mr. Spurlock advised us that Mr. Hubbard was particularly concerned about the disposition of his copyrights to the Scientology religious scriptures, his rights to the Scientology religious Advanced Technology, and his ownership of the religious marks. Mr. Hubbard, we were told, wanted assurance that these properties would remain forever dedicated to the religious of Scientology, after his death. With this in mind, we began conducting initial relevant research.

9. Thereafter, in November, 1981, I attended a two-day meeting at the offices of LeSourd & Patten to formulate a new proposal. The other participants attending this meeting were Meade Emory, Leon Misterek and Lyman Spurlock. After discussing various ideas and alternative estate structures at great length, we concluded that Mr. Hubbard's estate plan would best be accomplished by forming two organizations, namely one to receive from Mr. Hubbard the marks and Advanced Technology of the Scientology religion during his lifetime and the other to receive the copyrights following his death.

10. Over the next several months, my firm and I worked on the implementation of the plan developed at the November, 1981 meeting, including the incorporation of slight modifications based on Mr. Hubbard's review. One of these modifications was to include ' in the bylaws of the organization that would receive the copyrights provision for principals of my firm to be "Special Directors" of ' the organization, with the purpose of ensuring that the organization attain tax exempt status as soon as practical and that it operate at all times for its exempt purpose. In my capacity as a Special Director, I can categorically state that this organization has operated strictly in accordance with its exempt purpose. Another modification was for the same organization to hold options to the rights to be assigned to the other organization with respect to the Scientology religious marks and Advanced Technology.

11. In early 1982, the estate plan was completed and was implemented with the formation of Religious Technology Center (in January, 1982) and Church of Spiritual Technology (in May, 1982), the assignment to Religious Technology Center of rights to the Scientology religious marks and Advanced Technology, and the grant to Church of Spiritual Technology of options to the rights Religious Technology Center had received to the Scientology religious marks and Advanced Technology (on May 22, 1982). All that remained to accomplish Mr. Hubbard's estate plan at that time was testamentary transfer to Church of Spiritual Technology of the balance of his estate, including his copyrights to the Scientology

Religious Scriptures and his remaining rights to the Scientology  
°:religious marks and other properties.

12. At no time did anyone involved with the formation of Church of Spiritual Technology or Religious Technology Center ever express to me that the purpose for their formation was other than as stated above.

I declare under the penalty of perjury under the laws of the United States of America that the foregoing is true and correct.  
Executed on this 11th day of November, 1991, at Los Angeles, California.

— S D: LENSKE  
Declarant